

**CITY OF BELLEVILLE**

**Belleville, Kansas**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**December 31, 2010**

**MAPES & MILLER  
Certified Public Accountants  
Phillipsburg, Kansas 67661**

**CITY OF BELLEVILLE**

**City Council**

**December 31, 2010**

**Don Danielson, Mayor**

**Keith Sells  
Steve Scofield  
Catherine Derowitsch**

**Randy Hansen  
Blaine Miller**

**Robert Knudson  
Russell Piroutek  
Lisa Noland**

**City Manager  
Clerk  
Treasurer**

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**CONTENTS**

		<b>Pages</b>
	<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-2</b>
<b>Statement 1</b>	<b>SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH</b>	<b>3-4</b>
<b>Statement 2</b>	<b>SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET</b>	<b>5</b>
<b>Statement 3</b>	<b>STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET</b>	<b>6-35</b>
<b>Statement 4</b>	<b>SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS - AGENCY FUNDS</b>	<b>36</b>
	<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>37-46</b>



# **MAPES & MILLER**

**CERTIFIED PUBLIC ACCOUNTANTS**

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA  
DENIS W. MILLER, CPA  
THOMAS B. CARPENTER, CPA  
DON E. TILTON, CPA

418 E HOLME  
NORTON, KS 67654  
(785)877-5833

P.O. BOX 266  
711 3<sup>RD</sup> STREET  
PHILLIPSBURG, KS 67661  
(785)543-6561

P.O. BOX 508  
503 MAIN STREET  
STOCKTON, KS 67669  
(785)425-6764

306 N POMEROY  
HILL CITY, KS 67642  
(785)421-2163

OTHER OFFICES:  
QUINTER  
WAKEENEY

## **INDEPENDENT AUDITOR'S REPORT**

**Mayor and City Council  
City of Belleville, Kansas**

We have audited the accompanying financial statements of the City of Belleville, Kansas, as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements of the City's primary government, as listed in the table of contents. These financial statements are the responsibility of the City of Belleville, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note 1, the City of Belleville, Kansas has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

Mayor and City Council  
City of Belleville, Kansas  
September 12, 2011  
Page Two

In our opinion, because of the omission of the component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2010, or the changes in its financial position for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of the City of Belleville, Kansas, as of December 31, 2010, and its cash receipts and expenditures, and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of the City of Belleville, Kansas, and for filing with the Kansas Department of Administration, Division of Accounts and Reports and other federal and state agencies to whose jurisdiction the City is subject, and is not intended to be and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City Council, is a matter of public record.

Respectfully submitted,

*Mapes & Miller CPAs*  
Certified Public Accountants

September 12, 2011  
Phillipsburg, Kansas

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
For the Year Ended December 31, 2010

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds:</b>							
General Fund							
General Operating Fund	\$ 218,173	\$ 2,885	\$ 743,505	\$ 818,496	\$ 146,067	\$ 26,075	\$ 172,142
Special Revenue Funds							
Library Fund	6,462	-	106,400	112,862	-	-	-
Recreation Fund	13,855	-	23,348	34,339	2,864	-	2,864
Special Highway Fund	38,585	-	49,148	28,380	59,353	-	59,353
Special Fire Equipment Fund	85,281	-	24,685	-	109,966	-	109,966
Special Park & Recreation Fund	8,883	-	4,574	704	12,753	-	12,753
Employee Benefit Fund	29,346	-	439,644	418,951	50,039	2,369	52,408
Health Insurance Fund	156,692	-	307,570	313,368	150,894	-	150,894
Convention & Tourism Fund	29,773	-	30,018	26,688	33,103	80	33,183
Travel Information Center Fund	4,677	-	53,853	54,330	4,200	1,790	5,990
Special Street Machinery Reserve Fund	25,121	-	-	-	25,121	-	25,121
City Capital Improvement Fund	388,622	-	209,035	197,084	400,573	48,123	448,696
Rocky Pond Fund	2,321	-	390	2,519	192	-	192
Equipment Reserve Fund	-	-	45,000	35,510	9,490	-	9,490
Economic Development Building Fund	89,196	-	-	-	89,196	-	89,196
Airport Capital Improvements Fund	60,078	-	-	-	60,078	-	60,078
Sewer Grant Project Fund	-	-	-	172,834	(172,834) *	172,834	-
<b>Proprietary Type Funds:</b>							
Enterprise Funds							
Electric Utility							
Operating Fund	729,328	-	2,749,595	2,535,881	943,042	15,510	958,552
Repair & Extension Fund	430,575	-	264,973	59,999	635,549	4,829	640,378

\* See Note 5 (Cash Basis Exception)

The notes to the financial statements are an integral part of this statement.

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 1  
(Cont.)

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
For the Year Ended December 31, 2010

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Proprietary Type Funds (Cont.):							
Enterprise Funds (Cont.)							
Gas Utility							
Operating Fund	\$ 169,552	\$ -	\$ 1,258,384	\$ 1,330,657	\$ 97,279	\$ 7,029	\$ 104,308
Repair & Extension Fund	80,000	-	40,000	-	120,000	-	120,000
Water Utility							
Operating Fund	174,196	-	302,697	272,726	204,167	4,183	208,350
Repair & Extension Fund	245,171	-	25,000	5,750	264,421	-	264,421
Sewer Utility							
Operating Fund	99,910	-	279,614	286,533	92,991	3,112	96,103
Principal & Interest Reserve Fund	57,292	-	109,877	109,877	57,292	-	57,292
Repair & Extension Fund	41,862	-	27,730	19,586	50,006	2,500	52,506
Airport Utility							
Operating Fund	11,353	-	14,578	14,950	10,981	36	11,017
Landfill Utility							
Operating Fund	6,216	-	104,659	106,225	4,650	8,719	13,369
Utility Deposits Fund	5,022	-	367	4,448	941	12,506	13,447
Total Primary Government (Excluding Agency Funds)	<u>\$ 3,207,542</u>	<u>\$ 2,885</u>	<u>\$ 7,214,644</u>	<u>\$ 6,962,697</u>	<u>\$ 3,462,374</u>	<u>\$ 309,695</u>	<u>\$ 3,772,069</u>
Composition of Cash							
Cash on Hand							\$ 800
Astra Bank							
Checking Account							782,160
Money Market							900,000
Certificates of Deposit							1,200,000
Peoples Exchange Bank							
Certificates of Deposit							<u>900,000</u>
Total Cash							3,782,960
Agency Funds Per Statement 4							<u>(10,891)</u>
Total Primary Government (Excluding Agency Funds)							<u>\$ 3,772,069</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 2

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**(Budgeted Funds Only)**  
**For the Year Ended December 31, 2010**

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Type Funds:</b>					
<b>General Fund</b>					
General Operating Fund	\$ 896,602	\$ -	\$ 896,602	\$ 818,496	\$ (78,106)
<b>Special Revenue Funds</b>					
Library Fund	117,460	-	117,460	112,862	(4,598)
Recreation Fund	35,000	-	35,000	34,339	(661)
Special Highway Fund	67,000	-	67,000	28,380	(38,620)
Special Fire Equipment Fund	108,207	-	108,207	-	(108,207)
Special Park & Recreation Fund	13,000	-	13,000	704	(12,296)
Employee Benefit Fund	455,859	-	455,859	418,951	(36,908)
Health Insurance Fund	365,000	-	365,000	313,368	(51,632)
Convention & Tourism Fund	28,800	-	28,800	26,688	(2,112)
Travel Information Center Fund	61,006	-	61,006	54,330	(6,676)
<b>Proprietary Type Funds:</b>					
<b>Enterprise Funds</b>					
Electric Utility					
Operating Fund	2,589,587	-	2,589,587	2,535,881	(53,706)
Gas Utility					
Operating Fund	1,847,293	-	1,847,293	1,330,657	(516,636)
Water Utility					
Operating Fund	340,006	-	340,006	272,726	(67,280)
Sewer Utility					
Operating Fund	306,851	-	306,851	286,533	(20,318)
Principal & Interest Reserve Fund	109,877	-	109,877	109,877	-
Airport Utility					
Operating Fund	24,050	-	24,050	14,950	(9,100)
Landfill Utility					
Operating Fund	115,000	-	115,000	106,225	(8,775)

The notes to the financial statements are an integral part of this statement.



**CITY OF BELLEVILLE**  
Belleville, Kansas

Statement 3

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**GENERAL OPERATING FUND**

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Ad Valorem Tax	\$ 203,157	\$ 213,153	\$ (9,996)
Delinquent Tax	7,551	10,000	(2,449)
Motor Vehicle Tax	52,491	54,617	(2,126)
Recreational Vehicle Tax	790	597	193
16/20M Vehicle Tax	985	1,116	(131)
In Lieu of Taxes	807	550	257
Local Alcoholic Liquor Tax	4,575	4,327	248
Licenses, Permits, and Franchise Tax	42,949	46,650	(3,701)
Charges for Services	16,013	18,700	(2,687)
Retail Sales Tax	136,554	130,000	6,554
Court Fines & Fees	12,690	10,000	2,690
Interest on Idle Funds	262	-	262
Rent	2,670	-	2,670
Reimbursements	-	26,000	(26,000)
Miscellaneous Receipts	35,454	2,300	33,154
State Grant	183	-	183
Federal Grant	1,374	-	1,374
Incoming Transfers			
Electric Utility Operating Fund	120,000	120,000	-
Gas Utility Operating Fund	100,000	100,000	-
Water Utility Operating Fund	2,500	2,500	-
Sewer Utility Operating Fund	2,500	2,500	-
<b>Total Cash Receipts</b>	<b>743,505</b>	<b>\$ 743,010</b>	<b>\$ 495</b>
<b>EXPENDITURES</b>			
Finance & Administration			
Personal Services	5,867	\$ 11,202	\$ (5,335)
Contractual Services	52,042	48,000	4,042
Commodities	9,541	20,000	(10,459)
Capital Outlay	-	3,000	(3,000)
Election Expenditures	2,285	2,000	285
<b>Total Finance &amp; Administration</b>	<b>69,735</b>	<b>84,202</b>	<b>(14,467)</b>
Community Forestry			
Commodities	229	-	229
Capital Outlay	-	1,000	(1,000)
<b>Total Community Forestry</b>	<b>229</b>	<b>1,000</b>	<b>(771)</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**GENERAL OPERATING FUND (Cont.)**

	Actual	Budget	Variance Over (Under)
<b>EXPENDITURES (Cont.)</b>			
<b>Law Enforcement</b>			
Personal Services	\$ 196,818	\$ 196,200	\$ 618
Contractual Services	16,983	12,650	4,333
Commodities	24,523	20,050	4,473
Capital Outlay	2,767	3,500	(733)
Remittance to Other Agencies	40,000	40,000	-
<b>Total Law Enforcement</b>	<b>281,091</b>	<b>272,400</b>	<b>8,691</b>
<b>Fire Protection</b>			
Personal Services	6,690	11,000	(4,310)
Contractual Services	13,061	14,900	(1,839)
Commodities	9,244	9,500	(256)
Capital Outlay	-	1,500	(1,500)
Fireman Relief Fund	7,297	-	7,297
<b>Total Fire Protection</b>	<b>36,292</b>	<b>36,900</b>	<b>(608)</b>
<b>Street Maintenance</b>			
Personal Services	103,379	96,800	6,579
Contractual Services	24,695	26,500	(1,805)
Commodities	117,335	117,100	235
Capital Outlay	-	3,000	(3,000)
<b>Total Street Maintenance</b>	<b>245,409</b>	<b>243,400</b>	<b>2,009</b>
<b>Park Maintenance</b>			
Personal Services	35,569	36,500	(931)
Contractual Services	1,318	900	418
Commodities	9,741	7,000	2,741
<b>Total Park Maintenance</b>	<b>46,628</b>	<b>44,400</b>	<b>2,228</b>
<b>Cemetery Maintenance</b>			
Personal Services	31,797	33,500	(1,703)
Contractual Services	26	400	(374)
Commodities	2,936	3,000	(64)
<b>Total Cemetery Maintenance</b>	<b>34,759</b>	<b>36,900</b>	<b>(2,141)</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**GENERAL OPERATING FUND (Cont.)**

	Actual	Budget	Variance Over (Under)
<b>EXPENDITURES (Cont.)</b>			
Swimming Pool			
Personal Services	\$ 25,777	\$ 23,500	\$ 2,277
Contractual Services	1,217	2,800	(1,583)
Commodities	15,233	18,600	(3,367)
Capital Outlay	4,403	3,300	1,103
Total Swimming Pool	46,630	48,200	(1,570)
Sanitation			
Contractual Services	594	1,200	(606)
Economic Development			
Personal Services	1,493	35,274	(33,781)
Contractual Services	11,398	4,226	7,172
Commodities	10,091	1,000	9,091
Capital Outlay	1,147	500	647
Total Economic Development	24,129	41,000	(16,871)
Outgoing Transfers			
Special Street Machinery Reserve Fund	-	54,000	(54,000)
Equipment Reserve Fund	33,000	33,000	-
Total Outgoing Transfers	33,000	87,000	(54,000)
Total Expenditures	818,496	<u>\$ 896,602</u>	<u>\$ (78,106)</u>
Cash Receipts Over (Under) Expenditures	(74,991)		
UNENCUMBERED CASH, January 1, 2010	218,173		
Prior Year Cancelled Encumbrances	2,885		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 146,067</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**LIBRARY FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Ad Valorem Tax	\$ 83,961	\$ 88,095	\$ (4,134)
Delinquent Tax	2,705	2,500	205
Motor Vehicle Tax	18,863	19,588	(725)
Recreational Vehicle Tax	284	214	70
16/20M Vehicle Tax	377	401	(24)
In Lieu of Taxes	210	200	10
	<u>106,400</u>	<u>\$ 110,998</u>	<u>\$ (4,598)</u>
<b>EXPENDITURES</b>			
Appropriations	<u>112,862</u>	<u>\$ 117,460</u>	<u>\$ (4,598)</u>
Cash Receipts Over (Under) Expenditures	(6,462)		
UNENCUMBERED CASH, January 1, 2010	<u>6,462</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**RECREATION FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Ad Valorem Tax	\$ 14,294	\$ 14,992	\$ (698)
Delinquent Tax	456	600	(144)
Motor Vehicle Tax	2,902	2,960	(58)
Recreational Vehicle Tax	44	32	12
16/20M Vehicle Tax	90	61	29
In Lieu of Taxes	36	-	36
Miscellaneous Receipts	1,801	6,500	(4,699)
Charges For Services	3,125	-	3,125
Incoming Transfer			
Electric Utility Operating Fund	600	-	600
	<u>23,348</u>	<u>\$ 25,145</u>	<u>\$ (1,797)</u>
<b>EXPENDITURES</b>			
Personal Services	6,946	\$ 6,500	\$ 446
Contractual Services	10,643	11,500	(857)
Commodities	3,155	10,000	(6,845)
Capital Outlay	7,595	1,000	6,595
Outgoing Transfer			
Equipment Reserve Fund	6,000	6,000	-
	<u>34,339</u>	<u>\$ 35,000</u>	<u>\$ (661)</u>
Cash Receipts Over (Under) Expenditures	(10,991)		
UNENCUMBERED CASH, January 1, 2010	<u>13,855</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 2,864</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**SPECIAL HIGHWAY FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Special Highway Tax	<u>\$      49,148</u>	<u>\$      54,040</u>	<u>\$      (4,892)</u>
<b>EXPENDITURES</b>			
Personal Services	28,279	\$      46,500	\$      (18,221)
Contractual Services	101	500	(399)
Capital Outlay	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>
Total Expenditures	<u>28,380</u>	<u>\$      67,000</u>	<u>\$      (38,620)</u>
Cash Receipts Over (Under) Expenditures	20,768		
UNENCUMBERED CASH, January 1, 2010	<u>38,585</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$      59,353</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**SPECIAL FIRE EQUIPMENT FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Ad Valorem Tax	\$ 23,828	\$ 25,000	\$ (1,172)
Delinquent Tax	150	220	(70)
Motor Vehicle Tax	599	576	23
Recreational Vehicle Tax	9	6	3
16/20M Vehicle Tax	39	12	27
In Lieu of Tax	60	10	50
	<u>24,685</u>	<u>\$ 25,824</u>	<u>\$ (1,139)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>-</u>	<u>\$ 108,207</u>	<u>\$ (108,207)</u>
Cash Receipts Over (Under) Expenditures	24,685		
UNENCUMBERED CASH, January 1, 2010	<u>85,281</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 109,966</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**SPECIAL PARK & RECREATION FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Local Alcoholic Liquor Tax	<u>\$ 4,574</u>	<u>\$ 4,326</u>	<u>\$ 248</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>704</u>	<u>\$ 13,000</u>	<u>\$ (12,296)</u>
Cash Receipts Over (Under) Expenditures	3,870		
UNENCUMBERED CASH, January 1, 2010	<u>8,883</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 12,753</u>		

The notes to the financial statements are an integral part of this statement.



CITY OF BELLEVILLE  
Belleville, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2010

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Ad Valorem Tax	\$ 183,010	\$ 192,021	\$ (9,011)
Delinquent Tax	3,755	5,500	(1,745)
Motor Vehicle Tax	28,671	30,007	(1,336)
Recreational Vehicle Tax	431	328	103
16/20M Vehicle Tax	433	614	(181)
In Lieu of Taxes	457	250	207
Employee Contributions	127,387	125,000	2,387
Reimbursements	9	-	9
Interfund Reimbursements	95,491	83,400	12,091
	<u>439,644</u>	<u>\$ 437,120</u>	<u>\$ 2,524</u>
<b>EXPENDITURES</b>			
Social Security & Medicare	174,702	\$ 184,884	\$ (10,182)
KPERS	118,685	111,102	7,583
Group Health Insurance	103,470	138,673	(35,203)
Workman's Compensation & Unemployment	22,094	21,200	894
	<u>418,951</u>	<u>\$ 455,859</u>	<u>\$ (36,908)</u>
Cash Receipts Over (Under) Expenditures	20,693		
UNENCUMBERED CASH, January 1, 2010	<u>29,346</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 50,039</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**HEALTH INSURANCE FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Employee Contributions	\$ 15,143	\$ 18,000	\$ (2,857)
Interfund Reimbursements	<u>292,427</u>	<u>342,000</u>	<u>(49,573)</u>
Total Cash Receipts	<u>307,570</u>	<u>\$ 360,000</u>	<u>\$ (52,430)</u>
<b>EXPENDITURES</b>			
Group Health Insurance	<u>313,368</u>	<u>\$ 365,000</u>	<u>\$ (51,632)</u>
Cash Receipts Over (Under) Expenditures	(5,798)		
UNENCUMBERED CASH, January 1, 2010	<u>156,692</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 150,894</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**CONVENTION & TOURISM FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Local Transient Guest Tax	\$ 30,018	\$ 24,000	\$ 6,018
<b>EXPENDITURES</b>			
Contractual Services	1,990	\$ 2,150	\$ (160)
Capital Outlay	4,548	-	
Remittance to Other Agencies	20,150	26,650	(6,500)
Total Expenditures	26,688	\$ 28,800	\$ (2,112)
Cash Receipts Over (Under) Expenditures	3,330		
UNENCUMBERED CASH, January 1, 2010	29,773		
UNENCUMBERED CASH, December 31, 2010	\$ 33,103		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**TRAVEL INFORMATION CENTER FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Vendor Sales	\$ 42,403	\$ 38,386	\$ 4,017
Incoming Transfers			
Electric Utility Operating Fund	7,950	7,950	-
Gas Utility Operating Fund	3,500	7,100	(3,600)
Water Utility Operating Fund	-	750	(750)
Sewer Utility Operating Fund	-	750	(750)
	<u>53,853</u>	<u>\$ 54,936</u>	<u>\$ (1,083)</u>
<b>EXPENDITURES</b>			
Personal Services	28,493	\$ 29,606	\$ (1,113)
Contractual Services	2,314	2,000	314
Commodities	2,177	2,900	(723)
Capital Outlay	-	500	(500)
Remittance to Other Agencies	<u>21,346</u>	<u>26,000</u>	<u>(4,654)</u>
	<u>54,330</u>	<u>\$ 61,006</u>	<u>\$ (6,676)</u>
Cash Receipts Over (Under) Expenditures	(477)		
UNENCUMBERED CASH, January 1, 2010	<u>4,677</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 4,200</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
Belleville, Kansas

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**SPECIAL STREET MACHINERY RESERVE FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	<b>\$ -</b>
<b>EXPENDITURES</b>	<b>-</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>-</b>
<b>UNENCUMBERED CASH, January 1, 2010</b>	<b><u>25,121</u></b>
<b>UNENCUMBERED CASH, December 31, 2010</b>	<b><u><u>\$ 25,121</u></u></b>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
For the Year Ended December 31, 2010

**CITY CAPITAL IMPROVEMENT FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
State Grant	\$ 15,515
Federal Grant	3,964
Sale of Property	56,076
Miscellaneous Receipts	1,980
Incoming Transfers	
Electric Utility Operating Fund	75,000
Gas Utility Operating Fund	50,000
Water Utility Operating Fund	<u>6,500</u>
 Total Cash Receipts	 <u>209,035</u>
 <b>EXPENDITURES</b>	
Contractual Services	84,755
Capital Outlay	104,829
Remitted to Other Agencies	<u>7,500</u>
 Total Expenditures	 <u>197,084</u>
 Cash Receipts Over (Under) Expenditures	 11,951
 UNENCUMBERED CASH, January 1, 2010	 <u>388,622</u>
 UNENCUMBERED CASH, December 31, 2010	 <u><u>\$ 400,573</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
For the Year Ended December 31, 2010

**ROCKY POND FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Donation	<u>\$          390</u>
<b>EXPENDITURES</b>	
Capital Outlay	<u>          2,519</u>
Cash Receipts Over (Under) Expenditures	(2,129)
UNENCUMBERED CASH, January 1, 2010	<u>          2,321</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$          192</u></u>

**EQUIPMENT RESERVE FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Incoming Transfers	
General Operating Fund	\$        33,000
Recreation Fund	6,000
Electric Utility Operating Fund	3,000
Gas Utility Operating Fund	<u>          3,000</u>
Total Cash Receipts	<u>         45,000</u>
<b>EXPENDITURES</b>	
Capital Outlay	<u>         35,510</u>
Cash Receipts Over (Under) Expenditures	9,490
UNENCUMBERED CASH, January 1, 2010	<u>                  -</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$        9,490</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**ECONOMIC DEVELOPMENT BUILDING FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	<b>\$ -</b>
<b>EXPENDITURES</b>	<b>-</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>-</b>
<b>UNENCUMBERED CASH, January 1, 2010</b>	<b><u>89,196</u></b>
<b>UNENCUMBERED CASH, December 31, 2010</b>	<b><u><u>\$ 89,196</u></u></b>

The notes to the financial statements are an integral part of this statement.



**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**AIRPORT CAPITAL IMPROVEMENTS FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Donations	<u>\$ -</u>
<b>EXPENDITURES</b>	
	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2010	<u>60,078</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$ 60,078</u></u>

**SEWER GRANT PROJECT FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
	<u>\$ -</u>
<b>EXPENDITURES</b>	
Capital Outlay	<u>172,834</u>
Cash Receipts Over (Under) Expenditures	(172,834)
UNENCUMBERED CASH, January 1, 2010	<u>-</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$ (172,834) *</u></u>

\* See Note 5 (Cash Basis Exception)

The notes to the financial statements are an integral part of this statement.

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**ELECTRIC UTILITY OPERATING FUND**

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 2,341,276	\$ 2,121,600	\$ 219,676
Fines & Penalties	17,346	12,500	4,846
Capacity Payments	364,268	336,000	28,268
Reimbursements	15,932	105,000	(89,068)
Interest on Idle Funds	5,738	11,000	(5,262)
Miscellaneous Receipts	5,035	-	5,035
<b>Total Cash Receipts</b>	<u>2,749,595</u>	<u>\$ 2,586,100</u>	<u>\$ 163,495</u>
<b>EXPENDITURES</b>			
<b>Electric Administration</b>			
Personal Services	116,368	\$ 117,269	\$ (901)
Contractual Services	11,264	12,200	(936)
Commodities	1,761	3,200	(1,439)
Capital Outlay	-	700	(700)
Refunds	558	-	558
<b>Total Electric Administration</b>	<u>129,951</u>	<u>133,369</u>	<u>(3,418)</u>
<b>Electric Production</b>			
Personal Services	124,602	159,748	(35,146)
Contractual Services	1,389,754	1,309,700	80,054
Commodities	11,338	26,300	(14,962)
Capital Outlay	2,006	9,000	(6,994)
<b>Total Electric Production</b>	<u>1,527,700</u>	<u>1,504,748</u>	<u>22,952</u>
<b>Electric Distribution</b>			
Personal Services	302,200	330,920	(28,720)
Contractual Services	38,468	27,500	10,968
Commodities	80,944	85,100	(4,156)
Capital Outlay	-	52,000	(52,000)
<b>Total Electric Distribution</b>	<u>421,612</u>	<u>495,520</u>	<u>(73,908)</u>
<b>Gas Distribution</b>			
Commodities	<u>68</u>	<u>-</u>	<u>68</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**ELECTRIC UTILITY OPERATING FUND (Cont.)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (Cont.)</b>			
<b>Outgoing Transfers</b>			
General Operating Fund	\$ 120,000	\$ 120,000	\$ -
Recreation Fund	600	-	600
Travel Information Center Fund	7,950	7,950	-
City Capital Improvement Fund	75,000	75,000	-
Equipment Reserve Fund	3,000	3,000	-
Electric Utility Repair & Extension Fund	250,000	250,000	-
	<u>456,550</u>	<u>455,950</u>	<u>600</u>
<b>Total Outgoing Transfers</b>			
	<u>2,535,881</u>	<u>\$ 2,589,587</u>	<u>\$ (53,706)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	213,714		
<b>UNENCUMBERED CASH, January 1, 2010</b>	<u>729,328</u>		
<b>UNENCUMBERED CASH, December 31, 2010</b>	<u>\$ 943,042</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**ELECTRIC UTILITY REPAIR & EXTENSION FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Reimbursements	\$      14,973
Incoming Transfer	
Electric Utility Operating Fund	<u>250,000</u>
Total Cash Receipts	<u>264,973</u>
<b>EXPENDITURES</b>	
Capital Outlay	<u>59,999</u>
Cash Receipts Over (Under) Expenditures	204,974
UNENCUMBERED CASH, January 1, 2010	<u>430,575</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$      635,549</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**GAS UTILITY OPERATING FUND**

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 1,256,834	\$ 1,827,438	\$ (570,604)
Fines & Penalties	-	10,250	(10,250)
Reimbursements	1,500	-	1,500
Interest on Idle Funds	-	9,000	(9,000)
Miscellaneous Receipts	50	-	50
<b>Total Cash Receipts</b>	<u>1,258,384</u>	<u>\$ 1,846,688</u>	<u>\$ (588,304)</u>
<b>EXPENDITURES</b>			
Gas Administration			
Personal Services	77,620	\$ 86,649	\$ (9,029)
Contractual Services	29,481	10,750	18,731
Commodities	4,873	4,100	773
Capital Outlay	-	500	(500)
<b>Total Gas Administration</b>	<u>111,974</u>	<u>101,999</u>	<u>9,975</u>
Gas Distribution			
Personal Services	112,395	114,144	(1,749)
Contractual Services	892,708	1,398,800	(506,092)
Commodities	17,080	25,250	(8,170)
Capital Outlay	-	7,000	(7,000)
<b>Total Gas Distribution</b>	<u>1,022,183</u>	<u>1,545,194</u>	<u>(523,011)</u>
Outgoing Transfers			
General Operating Fund	100,000	100,000	-
Travel Information Center Fund	3,500	7,100	(3,600)
City Capital Improvement Fund	50,000	50,000	-
Equipment Reserve Fund	3,000	3,000	-
Gas Utility Repair & Extension Fund	40,000	40,000	-
<b>Total Outgoing Transfers</b>	<u>196,500</u>	<u>200,100</u>	<u>(3,600)</u>
<b>Total Expenditures</b>	<u>1,330,657</u>	<u>\$ 1,847,293</u>	<u>\$ (516,636)</u>
Cash Receipts Over (Under) Expenditures	(72,273)		
UNENCUMBERED CASH, January 1, 2010	<u>169,552</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 97,279</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**GAS UTILITY REPAIR & EXTENSION FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Incoming Transfer	
Gas Utility Operating Fund	<u>\$        40,000</u>
<b>EXPENDITURES</b>	
	<u>-</u>
Cash Receipts Over (Under) Expenditures	40,000
UNENCUMBERED CASH, January 1, 2010	<u>80,000</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$      120,000</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**WATER UTILITY OPERATING FUND**

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 301,656	\$ 298,000	\$ 3,656
Water Service Charges	-	1,000	(1,000)
Miscellaneous Receipts	928	-	
Reimbursements	113	500	(387)
<b>Total Cash Receipts</b>	<u>302,697</u>	<u>\$ 299,500</u>	<u>\$ 2,269</u>
<b>EXPENDITURES</b>			
Administration			
Personal Services	19,803	\$ 17,725	\$ 2,078
Contractual Services	9,218	12,700	(3,482)
Commodities	1,220	2,600	(1,380)
<b>Total Administration</b>	<u>30,241</u>	<u>33,025</u>	<u>(2,784)</u>
Production			
Personal Services	142,220	175,831	(33,611)
Contractual Services	36,958	35,200	1,758
Commodities	29,307	28,200	1,107
Capital Outlay	-	33,000	(33,000)
<b>Total Production</b>	<u>208,485</u>	<u>272,231</u>	<u>(63,746)</u>
Outgoing Transfers			
General Operating Fund	2,500	2,500	-
Travel Information Center Fund	-	750	(750)
City Capital Improvement Fund	6,500	6,500	-
Water Utility Repair & Extension Fund	25,000	25,000	-
<b>Total Outgoing Transfers</b>	<u>34,000</u>	<u>34,750</u>	<u>(750)</u>
<b>Total Expenditures</b>	<u>272,726</u>	<u>\$ 340,006</u>	<u>\$ (67,280)</u>
Cash Receipts Over (Under) Expenditures	29,971		
UNENCUMBERED CASH, January 1, 2010	<u>174,196</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 204,167</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**WATER UTILITY REPAIR & EXTENSION FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Incoming Transfer	
Water Utility Operating Fund	<u>\$        25,000</u>
<b>EXPENDITURES</b>	
Capital Outlay	<u>5,750</u>
Cash Receipts Over (Under) Expenditures	19,250
UNENCUMBERED CASH, January 1, 2010	<u>245,171</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$        264,421</u></u>

The notes to the financial statements are an integral part of this statement.



**CITY OF BELLEVILLE**  
Belleville, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended December 31, 2010

**SEWER UTILITY OPERATING FUND**

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 279,516	\$ 281,000	\$ (1,484)
Reimbursements	98	-	98
Miscellaneous Receipts	-	1,000	(1,000)
<b>Total Cash Receipts</b>	<u>279,614</u>	<u>\$ 282,000</u>	<u>\$ (2,386)</u>
<b>EXPENDITURES</b>			
Personal Services	73,112	\$ 75,324	\$ (2,212)
Contractual Services	56,394	48,300	8,094
Commodities	19,650	21,000	(1,350)
Capital Outlay	-	19,000	(19,000)
Outgoing Transfers			
General Operating Fund	2,500	2,500	-
Travel Information Center Fund	-	750	(750)
Sewer Utility Principal & Interest Reserve Fund	109,877	109,877	-
Sewer Utility Repair & Extension Fund	25,000	25,000	-
City Capital Improvement Fund	-	5,100	(5,100)
<b>Total Expenditures</b>	<u>286,533</u>	<u>\$ 306,851</u>	<u>\$ (20,318)</u>
Cash Receipts Over (Under) Expenditures	(6,919)		
UNENCUMBERED CASH, January 1, 2010	<u>99,910</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 92,991</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**SEWER UTILITY PRINCIPAL & INTEREST RESERVE FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Incoming Transfer			
Sewer Utility Operating Fund	\$ 109,877	\$ 109,877	\$ -
<b>EXPENDITURES</b>			
Principal Payments	71,082	\$ 71,082	\$ -
Interest Payments	35,646	35,646	-
Service Fee	3,149	3,149	-
Total Expenditures	109,877	\$ 109,877	\$ -
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, January 1, 2010	57,292		
UNENCUMBERED CASH, December 31, 2010	\$ 57,292		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**SEWER UTILITY REPAIR & EXTENSION FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Reimbursements	\$ 2,730
Incoming Transfer	
Sewer Utility Operating Fund	<u>25,000</u>
Total Cash Receipts	<u>27,730</u>
<b>EXPENDITURES</b>	
Contractual Services	2,500
Capital Outlay	<u>17,086</u>
Total Expenditures	<u>19,586</u>
Cash Receipts Over (Under) Expenditures	8,144
UNENCUMBERED CASH, January 1, 2010	<u>41,862</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$ 50,006</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2010**

**AIRPORT UTILITY OPERATING FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Aviation Gas Sales	\$ 11,229	\$ 15,000	\$ (3,771)
Hanger & Land Rent	<u>3,349</u>	<u>3,350</u>	<u>(1)</u>
Total Cash Receipts	<u>14,578</u>	<u>\$ 18,350</u>	<u>\$ (3,772)</u>
<b>EXPENDITURES</b>			
Contractual Services	3,037	\$ 4,850	\$ (1,813)
Commodities	11,913	1,000	10,913
Fuel Purchases	-	13,200	(13,200)
Capital Outlay	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>
Total Expenditures	<u>14,950</u>	<u>\$ 24,050</u>	<u>\$ (9,100)</u>
Cash Receipts Over (Under) Expenditures	(372)		
UNENCUMBERED CASH, January 1, 2010	<u>11,353</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 10,981</u>		

The notes to the financial statements are an integral part of this statement.

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2010

LANDFILL UTILITY OPERATING FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Landfill Use Charge	<u>\$ 104,659</u>	<u>\$ 115,000</u>	<u>\$ (10,341)</u>
<b>EXPENDITURES</b>			
Contractual Services	<u>106,225</u>	<u>\$ 115,000</u>	<u>\$ (8,775)</u>
Cash Receipts Over (Under) Expenditures	(1,566)		
UNENCUMBERED CASH, January 1, 2010	<u>6,216</u>		
UNENCUMBERED CASH, December 31, 2010	<u>\$ 4,650</u>		

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
**Belleville, Kansas**

**Statement 3**  
**(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2010**

**UTILITY DEPOSITS FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Customer Deposits	<u>\$          367</u>
<b>EXPENDITURES</b>	
Utility Deposit Refunds	<u>          4,448</u>
Cash Receipts Over (Under) Expenditures	(4,081)
UNENCUMBERED CASH, January 1, 2010	<u>          5,022</u>
UNENCUMBERED CASH, December 31, 2010	<u><u>\$          941</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BELLEVILLE  
Belleville, Kansas

Statement 4

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS  
For the Year Ended December 31, 2010

AGENCY FUNDS

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
State Sales Tax Fund	\$ 10,281	\$ 106,774	\$ 106,164	\$ 10,891
LAHC Project Fund	-	91,056	91,056	-
Total Agency Funds	<u>\$ 10,281</u>	<u>\$ 197,830</u>	<u>\$ 197,220</u>	<u>\$ 10,891</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BELLEVILLE**  
Belleville, Kansas

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The City of Belleville, Kansas was incorporated in 1869, and operates as a second-class city in accordance with the laws of the State of Kansas. The City operates under a mayor-manager-council form of government and provides the following services: public safety (police and fire protection), highways and streets, electric and gas, water, sewer, sanitation, health and social services, culture and recreation services, planning and zoning, public improvements, and general administrative services.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that the Housing Authority, Library, and Recreation Commission are component units of the City. Financial information for the component units have not been reported in the City's financial statements. Accordingly, these financial statements present the activities of the primary government only and are not a complete presentation in accordance with generally accepted accounting principles.

The governing bodies of the following are appointed by the City:

- 1) **Housing Authority.** The City of Belleville Housing Authority operates the City's housing project. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuance must be approved by the City.
- 2) **Library.** The City of Belleville Library operates the City's Public Library. Acquisition or disposition of real property by the board must be approved by the City. The City levies taxes for the Library. Bond issuances must be approved by the City.
- 3) **Recreation Commission.** The City of Belleville Recreation Commission operates the City's recreation activities. The tax funds for the operation of the Commission are levied by the City. Expenditures of the Commission are then paid directly by the City with the tax funds levied.

The Housing Authority's audited and the Library's unaudited financial statements can be obtained from the City Clerk. The Recreation Commission's financial information is included in the City's financial statements.



## **FUND ACCOUNTING**

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Funds are classified into three categories: governmental, proprietary, and fiduciary. Within each of these three categories there are one or more fund types. The City uses the following fund types:

### **Governmental Type Funds**

**General Fund** – The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes only.

### **Proprietary Type Funds**

**Enterprise Funds** – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

### **Fiduciary Type Funds**

**Agency Funds** – Agency funds are used to account for assets that the government holds on behalf of others as their agent.

## **BASIS OF ACCOUNTING**

**Statutory Basis of Accounting** – The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

**Departure from Accounting Principles Generally Accepted in the United States of America**--The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

## **LEAVE POLICIES**

### **Vacation**

Employees of the City accumulate vacation leave at a rate of eight to fourteen hours per month, depending upon years of service. An employee can carry over to a new year ten days of vacation leave. Employees are paid for all accumulated vacation leave, at their current wage rate. Upon retirement, employees are paid for all accumulated vacation, up to forty hours.

The costs of accumulated vacation is shown on Footnote 13 and will be recorded as an expenditure at the time the vacation is utilized, as normal personal service expenditures.

### **Sick leave**

Employees of the City accumulate sick leave at a rate of eight hours per month. They may accumulate a maximum of 600 hours sick leave. Upon termination of employment, no sick leave is paid to the employee. Upon retirement, an employee receives \$5.00 per hour for the accumulated sick leave, up to 600 hours. If an employee accumulates over 600 hours of sick leave, at the end of the year, they are paid for the hours over 600, at \$5.00 per hour. At December 31, 2010, no employees were eligible to retire. Therefore, there are no liabilities for sick leave recorded or estimated at December 31, 2010.

## **REIMBURSEMENTS**

Reimbursements are defined as repayments of amounts remitted on behalf of another party. All reimbursements shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursement was directly tied to the amount of the original cash disbursement.

## **2. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general operating fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following funds:

### **Special Revenue Funds:**

- Special Street Machinery Reserve Fund
- City Capital Improvement Fund
- Rocky Pond Fund
- Equipment Reserve Fund
- Economic Development Building Fund
- Sewer Grant Project Fund
- Airport Capital Improvements Fund

**Enterprise Funds:**

**Electric Utility Repair & Extension Fund**

**Gas Utility Repair and Extension Fund**

**Water Utility Repair & Extension Fund**

**Sewer Utility Repair & Extension Fund**

**Utility Deposits Fund**

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**3. PROPERTY TAXES**

Property taxes are levied November 1<sup>st</sup> of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due ½ on December 20<sup>th</sup> and ½ the following May 10<sup>th</sup>. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the City and therefore are not susceptible to accrual.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

**4. COMPLIANCE WITH KANSAS STATUTES**

- A. K.S.A. 10-1117 requires the clerk to maintain a record of each funds indebtedness and contracts creating a liability against the City. The records did not include the City's fund indebtedness and contracts for the year ended December 31, 2010, violating K.S.A. 10-1117.
- B. K.S.A. 9-1402 requires deposits with authorized institutions be adequately secured. The City had insufficient depository coverage at People's Exchange Bank and Astra Bank all in Belleville, Kansas, during part of the year ended December 31, 2010, violating K.S.A. 9-1402. Additional depository coverage was obtained subsequent to the violation.
- C. K.S.A. 10-816 requires checks that are outstanding for greater than two years be cancelled and restored to the fund originally charged. The City had one check that was outstanding greater than two years, violating K.S.A. 10-816.
- D. The City is not aware of any other non-compliance with Kansas statutes.

**5. CASH BASIS EXCEPTION**

- A. The City received a Community Development Block Grant, The grant documents requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the Sewer Grant Project Fund at December 31, 2010. K.S.A. 12-1664 provides an exception for a cash basis law violation for the intergovernmental grant funds to expend monies for grant purposes with the expectation of monies to be reimbursed to the City under conditions of the grant award.

## **6. DEPOSITS AND INVESTMENTS**

### **Deposits**

As of December 31, 2010, the City of Belleville had no investments other than certificates of deposit, which are considered deposits under GASB Statement No. 3. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

### **Concentration of Credit Risk**

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

### **Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2010, however, as shown in Footnote 4, the City had depository coverage violations during the year.

At December 31, 2010, the City's carrying amount of deposits was \$3,782,160 and the bank balance was \$3,817,214. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance \$504,639 was covered by federal depository insurance, \$3,312,575 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

### **Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

## **7. DEFINED BENEFIT PENSION PLAN**

### **Plan description**

The City of Belleville contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

### **Funding Policy**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for calendar year 2010, which includes pension contributions and group death disability insurance, was 7.14%. The City of Belleville's employer contributions to KPERS for the years ending December 31, 2010, 2009, and 2008 were \$74,388, \$64,852, and \$54,795, respectively, equal to the required contributions for each year as set forth by the legislature.

## **8. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended, provides for premium reductions for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly called COBRA. The premium assistance is also available for continuation coverage under certain State laws. "Assistance Eligible Individuals" pay only 35% of their COBRA premiums; the remaining 65% is reimbursed to the coverage provider through a tax credit. The premium reduction applies to periods of health coverage that began on or after February 17, 2010 and lasts for up to fifteen months.

## **9. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workman's compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 140 participating members and the league itself.

The City continues to carry commercial insurance for all other risks of loss, including commercial property, commercial liability, automobile, linebaker, inland marine, surety bonds, commercial output, and crime and terrorism. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## **10. COMMUNITY DEVELOPMENT BLOCK GRANT LOAN**

In 2005, the City of Belleville began serving as a conduit between the Kansas Department of Commerce and a private enterprise for the purpose of economic development. The enterprise received a Community Development Block Grant loan from the Department of Commerce. The City has an obligation to assure the enterprise is complying with the loan agreement before advancing the funds. The private enterprise is responsible for making the loan payments and the City has no financial obligation to the State if the enterprise defaults on the loan. At December 31, 2010, the balance of the outstanding debt obligation was \$174,732.

## **11. DEFEASANCE OF DEBT**

On May 23, 2008, the City defeased the 2005 Electric & Gas Revenue Bond by putting principal and interest in a trust to provide for future debt service payments on the defeased bond. Accordingly, the trust account assets and the liability for the defeased debt is not included in these financial statements. At December 31, 2010, \$1,570,000 of bonds outstanding are considered defeased.

## 12. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Authority	Amount
General Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 33,000
Recreation Fund	Equipment Reserve Fund	K.S.A. 12-1,117	6,000
Electric Utility Operating Fund	General Operating Fund	K.S.A. 12-825d	120,000
Electric Utility Operating Fund	Recreation Fund	K.S.A. 12-825d	600
Electric Utility Operating Fund	Travel Information Center Fund	K.S.A. 12-825d	7,950
Electric Utility Operating Fund	City Capital Improvement Fund	K.S.A. 12-825d	75,000
Electric Utility Operating Fund	Equipment Reserve Fund	K.S.A. 12-825d	3,000
Electric Utility Operating Fund	Electric Utility Repair & Extension Fund	K.S.A. 12-825d	250,000
Gas Utility Operating Fund	General Operating Fund	K.S.A. 12-825d	100,000
Gas Utility Operating Fund	Travel Information Center Fund	K.S.A. 12-825d	3,500
Gas Utility Operating Fund	City Capital Improvement Fund	K.S.A. 12-825d	50,000
Gas Utility Operating Fund	Equipment Reserve Fund	K.S.A. 12-825d	3,000
Gas Utility Operating Fund	Gas Utility Repair & Extension Fund	K.S.A. 12-825d	40,000
Water Utility Operating Fund	General Operating Fund	K.S.A. 12-825d	2,500
Water Utility Operating Fund	City Capital Improvement Fund	K.S.A. 12-825d	6,500
Water Utility Operating Fund	Water Utility Repair & Extension Fund	K.S.A. 12-825d	25,000
Sewer Utility Operating Fund	General Operating Fund	K.S.A. 12-825d	2,500
Sewer Utility Operating Fund	Sewer Utility Principal & Interest Reserve Fund	K.S.A. 12-825d	109,877
Sewer Utility Operating Fund	Sewer Utility Repair & Extension Fund	K.S.A. 12-825d	25,000



### 13. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2010 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2010	Additions	Reductions/ Payments	Net Change	Ending Balance 12/31/2010	Interest/ Service Fees Paid
<b>KDHE Loan:</b>										
KS Water Pollution Control	3.08%	2001	<u>\$ 1,643,675</u>	2024	<u>\$ 1,277,203</u>	<u>\$ -</u>	<u>\$ 71,082</u>	<u>\$ -</u>	<u>\$ 1,206,121</u>	<u>\$ 38,795</u>
<b>Compensated Absences:</b>										
Accumulated Vacation	N/A	N/A	N/A	N/A	<u>33,116</u>	<u>-</u>	<u>-</u>	<u>(1,509)</u>	<u>31,607</u>	<u>-</u>
<b>Total Long-Term Debt</b>					<u><u>\$ 1,310,319</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 71,082</u></u>	<u><u>\$ (1,509)</u></u>	<u><u>\$ 1,237,728</u></u>	<u><u>\$ 38,795</u></u>

N/A = Not Applicable

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Year	KDHE Loan	
	Principal	Interest
2011	\$ 73,288	\$ 36,588
2012	75,563	34,314
2013	77,908	31,969
2014	80,326	29,551
2015	82,819	65,852
2016-2020	454,285	95,097
2021-2024	<u>361,932</u>	<u>22,636</u>
	<u><u>\$ 1,206,121</u></u>	<u><u>\$ 316,007</u></u>

\* See Note 11 – Defeasance of Debt